

RHODE ISLAND
ETHICS COMMISSION



FY2007
ANNUAL REPORT

ANNUAL REPORT FISCAL YEAR 2007

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I. INTRODUCTION TO THE COMMISSION

A. INTRODUCTION

The Rhode Island Ethics Commission (Commission) is a constitutionally mandated body authorized to adopt, administer, and enforce the State of Rhode Island's Code of Ethics (Code). See R.I. Const. art. III, § 8. The Code of Ethics is embodied in Rhode Island General Laws §§ 36-14-4 to 36-14-7 and Commission Regulations 36-14-5001 to 36-14-7003 and sets forth standards of conduct for all of Rhode Island's public officials and employees.

The Commission educates and advises public officials and employees about the standards of conduct set out in the Code of Ethics. Advisory opinions respond to specific questions about the Code posed by public officials and employees facing potential conflicts of interest. The education program offers seminars and workshops and disseminates publications about the Code of Ethics, its statutory and regulatory guidelines, and the procedures of the Commission.

The Commission enforces the Code of Ethics through a combination of confidential investigative proceedings, open hearings, and public adjudications. Enforcement powers include civil penalties and, in some instances, the power to remove an official from office.

All of the Commission's educational publications, advisory opinions, complaints, and final determinations are available to the public. Investigative reports and related pleadings, and Commission orders become public at specific junctures in the enforcement process.

This Annual Report summarizes the activities of the Commission for state Fiscal Year (FY) 2007. Accordingly, this FY2007 Annual Report applies to the time period covering July 1, 2006 to June 30, 2007. Separate sections of the Annual Report describe FY2007 activities relating to regulatory and policy changes, declaratory rulings, advisory opinions, investigations and enforcement, litigation, financial disclosure, education, and public access.

B. HISTORY

In 1976, the Rhode Island General Assembly enacted the State's first Code of Ethics and created the Conflict of Interest Commission. That Code governed the activities of state and municipal elected and appointed officials and required all such officials to meet newly imposed financial disclosure requirements. The Conflict of Interest Commission enforced the statute.

In November of 1986, Rhode Island voters adopted a constitutional amendment mandating that the General Assembly "establish an independent non-partisan ethics commission" R.I. Const. art. III, § 8. In 1987, the General Assembly replaced the Conflict of Interest Commission with a fifteen member Ethics Commission. In 1992, the Assembly reduced the size of the Ethics Commission to the current nine members.

The Rhode Island Constitution empowers the Ethics Commission to adopt and enforce a Code of Ethics, to investigate violations and to impose penalties, including removal from office. R.I. Const. art. III, § 8. Legislation enacted by the General Assembly grants the Ethics Commission additional powers to issue advisory opinions to public officials and employees and to offer educational programs. R.I. Gen. Laws § 36-14-10 and § 36-14-11. The process by which Commissioners are appointed, quorum requirements, and the administrative powers of the Commission are also governed by statute. R.I. Gen. Laws § 36-14-8 and § 36-14-9.

C. POWERS

The fundamental powers of the Ethics Commission are to:

- Adopt a Code of Ethics
- Advise public officials and employees about the Code of Ethics through the issuance of advisory opinions, as requested by officials and employees
- Enforce the Code of Ethics
- Enforce financial disclosure and maintain financial disclosure records
- Educate public officials, government employees, and citizens

D. RHODE ISLAND CODE OF ETHICS IN GOVERNMENT

The Rhode Island Constitution requires that public officials and employees “adhere to the highest standards of ethical conduct, respect the public trust and the rights of all persons, be open, accountable and responsive, avoid the appearance of impropriety and not use their position for private gain or advantage.” R.I. Const. art. III, § 7. The Constitution also provides that all Rhode Island public officials and employees are subject to the Code of Ethics. R.I. Const. art. III, § 8. This includes elected and appointed officials and employees at the state and local levels of government. Id.

The Code of Ethics prohibits conflicts of interest. R.I. Gen. Laws § 36-14-5(a). Public officials and employees may not have financial interests that are in substantial conflict with the proper discharge of their public duties. Id. Conflicts of interest include the financial interests of the public official or employee as well as those of his or her family, private employers, business associates, or any business the official or employee may represent. R.I. Gen. Laws § 36-14-7(a). When conflicts of interest arise, public officials and employees are required to disclose the nature of the conflict. R.I. Gen. Laws § 36-14-6. They are further required to recuse themselves from taking any official government action or participating in deliberations concerning a matter in which they have a conflict of interest. See R.I. Gen. Laws § 36-14-5 and Regulations 36-14-5001 to 5018.

The Code of Ethics includes statutory provisions enacted by the General Assembly and adopted by the Commission. R.I. Gen. Laws §§ 36-14-4 to 36-14-7. In addition, the Code of Ethics consists of regulatory provisions enacted solely by the Ethics Commission. Commission Regulations 36-14-5001 to 36-14-7003. There are also statutes and Commission regulations that set forth the Commission’s procedures. Copies of the full Code are available from the Ethics Commission or may be downloaded from the Commission's website at <http://www.ethics.ri.gov>.

Furthermore, the Ethics Commission has regulatory authority relating to certain financial disclosure requirements for gambling interests, pursuant to R.I. Gen. Laws §§ 41-9-1 to 41-9-6, and has enforcement authority relating to goods or services provided to public officials and employees by state vendors, pursuant to R.I. Gen. Laws §§ 36-14.1-1 to 36-14.1-4. The Ethics Commission also works with the Board of Governors for Higher Education in the review of applications for exceptions to the Code made by state university inventors and researchers. See R.I. Gen. Laws § 16-59-26.

E. THE COMMISSION

The Commission is comprised of nine Rhode Island citizens. Four are appointed directly by the Governor; the other five are appointed by the Governor from lists of nominees submitted by the Majority and Minority Leaders and the Speaker of the State of Rhode Island House of Representatives, and the President and the Minority Leader of the State of Rhode Island Senate, respectively. R.I. Gen. Laws § 36-14-8(a). No Commission member may serve more than one full five-year term, provided, however, that a member may continue to serve until a successor is appointed. R.I. Gen. Laws § 36-14-8(c). While serving on the Commission, members are prohibited from holding or campaigning for public office, holding office in any political party or political committee, and participating in or contributing to any political campaign. R.I. Gen. Laws § 36-14-8(f). Additionally, Commissioners may neither directly nor indirectly attempt to influence any decision by a governmental body. Id.

Section 36-14-8(i) of the Rhode Island General Laws provides that Commission members shall receive one hundred dollars (\$100) per day as compensation for attendance at meetings of the Commission. For FY2007, however, the Commissioners received no compensation for their service because the General Assembly each year passes a Public Law suspending all such payments. During FY2007, the Commission conducted twenty-two (22) meetings.

The members of the Ethics Commission during FY2007 were: James Lynch, Sr., Chairperson; Barbara R. Binder, Vice Chairperson; George E. Weavill, Jr., Secretary; Frederick K. Butler; Ross Cheit; Richard E. Kirby; James V. Murray; and James C. Segovis, Ph.D.

F. COMMISSION MEMBERS

Barbara R. Binder was appointed by Governor Carcieri as a direct appointment in 2004. The Commission elected her Vice Chairperson on October 11, 2005. She was Chief of Staff for then-General Treasurer Nancy Mayer from 1993 to 1999. She was the Deputy Chief Counsel for the Department of Business Regulation from 1986 to 1992. Prior to that, she was an attorney with the law firms of Winograd, Shine and Zacks, and Selya and Iannuccillo. She holds a J.D. from Boston University Law School, an M.S. from Columbia University, and a B.A. from Brandeis University.

Frederick K. Butler was nominated by House Minority Leader Robert Watson and appointed by the Governor in 2004. He was named Vice President of Business Ethics and Corporate Secretary of Textron in January of 1999. He joined Textron in 1980 as a staff attorney for the corporate office. Prior to joining Textron, he was an associate at the New York law firm of Dewey, Ballantine, Bushby, Palmer, and Wood. Mr. Butler received his B.A. from Harvard University and his J.D. from Harvard Law School. He also participates in various civic and charitable organizations, including the Providence Foundation, St. Joseph Health Services of Rhode Island, First Works Providence, and the Textron Chamber Academy.

Ross Cheit was nominated by Senate Minority Leader Dennis Algiere and appointed by Governor Carcieri in 2004. He graduated from Williams College in 1977 and subsequently received a law degree from the University of California, Berkeley. After clerking for a judge on the Oregon Supreme Court, he returned to the University of California, Berkeley for a doctorate in Public Policy. He has been affiliated with Brown University since 1986 and currently is an Associate Professor of Political Science and Public Policy. Professor Cheit was a Fellow in the Ethics and Professions Program at Harvard University in 1990-1991. He was later a Faculty Fellow in the Ethics and Public Administration Program at the University of Rhode Island. He is a resident of Barrington.

Richard E. Kirby was nominated by Speaker John Harwood and appointed by Governor Almond in 1998. He was elected by the Commission to serve as Vice Chairperson from September 21, 1999, until his election as Chairperson on September 25, 2001. He served as Chairperson until October 23, 2003. A resident of East Providence, Mr. Kirby is engaged in the private practice of law with Macktaz, Keefer & Kirby. He holds degrees from the University of Rhode Island and from the Catholic University of America, Columbus School of Law. He has served as law clerk to the Chief Justice of the Rhode Island Supreme Court and Legal Counsel to the Subcommittee on Financial Institutions, U.S. House of Representatives.

James Lynch, Sr., Chairperson, was appointed by Governor Lincoln Almond in 1997 and in 2001 was reappointed to a full five-year term expiring in 2006. The Commission elected him Secretary on September 21, 1999, and he served in that position until he was elected Chairperson on October 14, 2003. He is a resident of North Kingstown where he was an elected Moderator for one term and a member of the Tax Assessment Review Board for sixteen years, serving as its Chairperson the last four. He also has served on the State Board of Elections. Mr. Lynch is a

retired Army Lt. Colonel who obtained a bachelor's degree from the University of Nebraska under the Army's "Bootstrap Program." He obtained an M.B.A. from Bryant College after retirement and went to work first for Roadway Express as a Dock Foreman and then for the OMNI Biltmore Hotel as their Human Resources Director, retiring in 1988. Mr. Lynch is also very active with the Prince Hall Masons and Shriners, having held the highest office in the State of Rhode Island.

James V. Murray was nominated by House Majority Leader Gerard Martineau and appointed by Governor Almond in 1998. A resident of Warwick, Mr. Murray has served as Managing Attorney for Amica Mutual Insurance Co. since 1993. Prior to joining Amica, he served as Managing Senior Attorney to Cigna Corporation and Aetna Life & Casualty and as an attorney for Travelers Insurance Company. He holds a B.A. in Government, cum laude, from Harvard University, and a J.D. from Suffolk Law School.

James C. Segovis, Ph.D., was appointed by Governor Almond in 2002. He is a resident of Smithfield and Executive-In-Residence in the Department of Management at Bryant University. He holds a B.A. from the State University of New York at Cortland, an M.B.A. from the Southern Methodist University's Cox School of Business, and a Ph.D. from the University of Texas Dallas School of Management. He has held positions with the U.S. Department of Treasury, the Federal Home Loan Bank System, and the John H. Chafee Center for International Business at Bryant University.

George E. Weavill, Jr., Secretary, was appointed by Governor Lincoln Almond in 2001 to fill an unexpired term. Mr. Weavill is a resident of Lincoln and is Business Manager for the Rhode Island Conference of the United Church of Christ, a position he has held since 1996. He also chairs the organization's investment committee. Mr. Weavill served as President of the Rhode Island State Council of Churches from 1990 to 1993, and is currently serving as its Treasurer. He served as a member of the Lincoln Planning Board for twenty-five years, serving as Vice Chairman from 1975 to 1999, and Chairman from 1999 to 2000. He retired in 1993 from a professional career of thirty-one (31) years in retail management with Sears, Roebuck & Company. Mr. Weavill received an undergraduate degree in Management from Bryant College in 1962.

G. COMMISSION STAFF

The staff of the Ethics Commission has responsibility for the daily operations of the agency. The Executive Director/Chief Prosecutor is the chief administrative officer, directs all investigative and enforcement activities, prosecutes complaints before the Commission, litigates matters before the Superior and Supreme Courts of Rhode Island, and coordinates policy decisions of the Commission. The Education Coordinator designs, develops, and directs all educational programs, including seminars and publications, acts as a liaison to the public and the media, and coordinates the Commission's advisory opinion and public access programs. The Staff Attorneys oversee investigative matters, conduct prosecutions, represent the Commission in court litigation, and draft legal recommendations for the Commission regarding advisory opinions, legislation, and policy matters. The Investigators investigate complaints filed by private parties and by the Commission, oversee preliminary investigations, and process and review non-complaint information received by and/or referred to the Commission. The Office Manager and administrative staff maintain all financial disclosure and complaint records and provide administrative support to all Commission programs and activities. Considerable staff time is devoted to creating and maintaining accessible records for public inspection. The staff responds to hundreds of requests for information and access to Commission records.

In FY2007, the Commission's staff was as follows:

Executive Director/Chief Prosecutor	Kent A. Willever, Esq.
Senior Staff Attorney	Katherine D'Arezzo, Esq.
Education Coordinator/Staff Attorney	Jason Gramitt, Esq.
Staff Attorney	Macall Robertson, Esq.
Staff Attorney	Dianne L. Leyden, Esq.
Chief of Investigations	Steven T. Cross
Deputy Chief Investigator	Peter J. Mancini
Investigator	Michael Douglas
Office Manager	Patricia F. Barker
Administrative/IT Officer	Michelle R. Berg
Research Aide/Legal Secretary	Tracy Teixeira
Administrative Assistant	Lisa Petrone

H. LEGAL COUNSEL

The services of the Commission's Legal Counsel are retained independent of the Executive Director or other Commission employees. The Legal Counsel responds to questions of law posed by the Commission members and advises the Commission regarding Advisory Opinions and all other legal matters. The Commission's Legal Counsel is Kathleen Managhan, Esq.

I. BUDGET

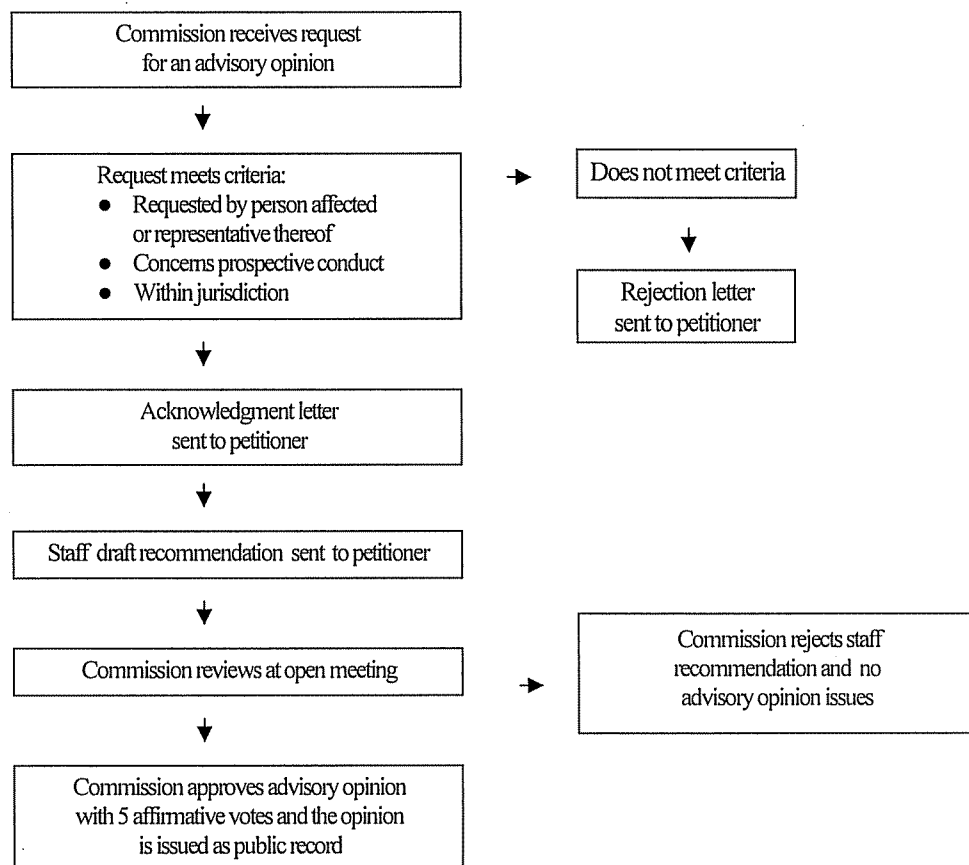
The Commission's expenditures for FY2007 totaled \$1,222,289. This reflects an increase of \$66,171 from FY2006, which is primarily attributable to the increase in personnel expenses this fiscal year.

II. ADVISORY OPINIONS

A. INTRODUCTION

Rhode Island General Laws § 36-14-11 authorizes the Ethics Commission to issue advisory opinions to public officials and employees, both at the state and municipal levels. Any public official or employee may request or petition that the Commission interpret the Code of Ethics and recommend specific actions in keeping with the requirements of the Code. Advisory opinions require an affirmative vote of five of the nine members of the Commission. Requests for advisory opinions must be in writing and include the petitioner's position, the jurisdiction and powers of the department, agency, or public body he or she serves, and the nature of the potential conflict or other inquiry. Opinions are issued in open session and are public records.

Advisory Opinion Process Flowchart

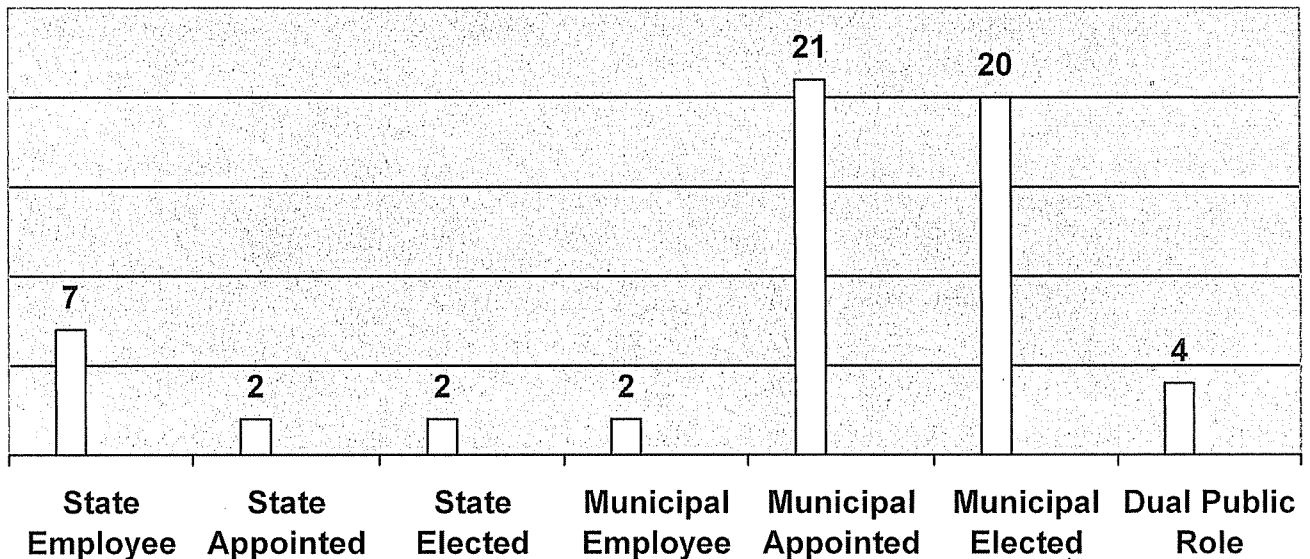


B. ADVISORY OPINIONS ISSUED IN FY2007

Fifty-eight (58) advisory opinions were issued in FY2007. This represents a decrease in opinions issued from the last fiscal year. This decrease may be due in part to greater utilization of the staff's duty call system by public officials and employees and thus a decrease in demand for advisory opinions.

In FY2007, seven (7) of the advisory opinion requests issued came from state employees, two (2) from state appointed officials, two (2) from state elected officials, two (2) from municipal employees, twenty-one (21) from municipal appointed officials, twenty (20) from municipal elected officials, and four (4) from petitioners serving in dual public roles. The chart below shows the distribution of advisory opinions issued in FY2007 for the aforementioned seven (7) groups.

Distribution of Advisory Opinions Issued by Position



Individual advisory opinion requests often raise multiple issues. The subjects of the advisory opinions requested and issued in FY2007 included the following: nepotism, potential conflicts arising when an official or employee also has private employment, potential conflicts arising when a family member is also employed in the public sector, serving in dual public roles, business associates, business interests, budgets, the post-employment revolving door provision, whether the hardship exception applies allowing a public official to participate in a matter

which would otherwise constitute a conflict of interest, recusal, the public forum exception, and political activity.

The following is a list of keyword topics addressed by advisory opinions issued in FY2007. Because requests often raise multiple issues, the number of topics addressed in advisory opinions exceeds the total number of advisory opinions.

Advisory Opinion Keyword Index

A-B

Appointing Authority (1)
Budget (1)
Business Associates (10)
Business/Interest (5)

C

Compensation/Reimbursement (2)
Complaint (1)

D-E

Dual Public Roles (6)
Employer (1)

F

Family (1)
Family Member (2)
Family: Public Employment (2)
Family: Supervision (2)
Financial Interest (6)

G-H

Grants (1)
Hardship Exception (4)

I-L

Lobbying (2)

M-O

Membership (1)
Ministerial (1)
Nepotism (3)

P-Q

Political Activity (3)
Post Employment (1)
Private Employee/ment (18)
Property Interest (9)
Public Forum Exception (2)

R-Z

Recusal (4)
Revolving Door (5)

C. TELEPHONE AND WALK-IN INQUIRIES

In FY2007, the Commission continued its efforts in responding to telephone inquiries from government officials, public employees, and from the public at large. Through rotating staff assignments, questions about the Code or Commission procedures are answered without delay. While not offering legal advice, the staff provides information, copies of past advisory opinions, and educational publications in response to several hundred calls during the fiscal year. Roughly half of the calls came from private citizens and the media, with the remainder made up of public officials and employees. While a majority of the calls were questions about advisory opinions or complaints, other matters included questions about financial disclosure, recusal, whether a particular matter fell within the Commission's jurisdiction, gifts, dual public roles, revolving door, recusal, private employment, nepotism, and other requests for information.

D. GENERAL COMMISSION ADVISORIES

The Ethics Commission also issues General Commission Advisories (G.C.A.). These advisories offer broad interpretations of the Code of Ethics relevant to all persons holding a given public office, or pertaining to commonly faced conflicts of interest. To date, the Commission has issued thirteen (13) such advisories; however, three (3) of them have since been withdrawn.

E. PUBLIC ACCESS

All individual advisory opinions and General Commission Advisories are public records and are issued by the Commission in open session. The full text of the Commission's advisory opinions are available on the internet for the General Commission Advisories still in effect and for individual advisories issued from 1995 to the present. The Commission's web address is:
<http://www.ethics.ri.gov>.

III. COMPUTERS AND TECHNOLOGY

A. INTRODUCTION

The Ethics Commission has responsibilities for ethics regulation as well as for programs in financial disclosure, investigation and enforcement, and ethics education. Given the breadth and overlap of these responsibilities and associated information, the Commission has implemented a technologically integrated approach to handling data so as to improve productivity and efficiency, as well as the public's access to information.

B. PUBLIC ACCESS

The Commission maintains a web site that is available to the public. Among other things, the web site provides access to all General Commission Advisories, individual advisory opinions from 1995 to present, the entire Code of Ethics in Government, Commission meeting schedules, agendas and minutes, Decisions and Orders, educational publications, and downloadable forms. The Commission's web address is <http://www.ethics.ri.gov>.

IV. DECLARATORY RULINGS

A. INTRODUCTION

The Ethics Commission, under Commission Regulation 36-14-1025, accepts petitions from any interested person seeking a “declaratory ruling” clarifying the applicability of the Code of Ethics. Such rulings have the same status as Commission orders in contested cases and may be challenged in Superior Court.

All declaratory rulings are public records. Declaratory rulings are issued in open session following public hearing. Notices of all hearings and open meetings are posted and the public may attend.

B. DECLARATORY RULINGS REQUESTED IN FY2007

The Commission received no requests for declaratory rulings in FY2007.

V. EDUCATION

A. INTRODUCTION

The statutory provisions of the Rhode Island Code of Ethics authorize the Ethics Commission to establish an education program. See R.I. Gen. Laws § 36-14-9(a)(14) and § 36-14-10. The program's purpose is to educate public officials, public employees, and all Rhode Islanders regarding the Code of Ethics and Commission procedures. The program includes seminars and workshops as well as the production and dissemination of brochures and other publications explaining the Code of Ethics. Commission staff members conduct outreach to public officials and employees at all levels of government through this program by crafting objectives and content for individual seminars and workshops that best meet the needs of a specific agency or department. Seminars and workshops incorporate issues that arise under the Code of Ethics in the advisory opinion and complaint contexts. The seminars and workshops are provided in an interactive presentation format and vary in duration, depending on the needs and goals of the agency or department. Commission publications are provided during these presentations and are available at the Commission offices.

The seminar program is designed to be easily tailored to the unique governmental roles and responsibilities of its participants. Each program is built around a core curriculum. In addition, the governing statutes, policies, and procedures of the sponsoring agency and the job descriptions, powers, and duties of the participants are taken into account so as to focus the discussion on the most relevant sections of the Code of Ethics. The Education Staff attempt to enrich the program with real-world examples of Code applications. Whenever possible, seminars are provided at the worksites or meeting places of the participants. Most programs are provided at no cost to the sponsoring agency, although occasionally agencies are asked to assist the Ethics Commission with the costs of duplicating handouts used in the program.

B. EDUCATIONAL WORKSHOPS PROVIDED IN FY2007

In FY2007, the staff provided forty-four (44) workshops, seminars, and presentations to over one thousand five hundred (1,500) people across the State. Among the municipalities receiving ethics training during FY2007 were Johnston, Newport, Portsmouth, Providence, and Woonsocket. Additionally, the Rhode Island House of Representatives received ethics training, as did various

departments of state government, including the Department of the General Treasurer and Treasury staff, the Secretary of State's Office, and the Department of Administration.

For the fifth consecutive year, the Commission's Education Coordinator spoke at the Attorney General's Open Meeting Seminar at Roger Williams University School of Law. The Education Program also reached out to professional organizations having large numbers of members who are public officials across Rhode Island, including the Rhode Island Association of School Committees, the Rhode Island Association of City and Town Clerks, and the Rhode Island District Court Prosecutor's Association.

Other workshops were given to the Governor's Commission on Disabilities, the Providence Police Academy, the Providence Housing Authority, the Providence City Council, and Providence Fire and Civilian Personnel. Presentations were also given to various institutions of higher education, including two different classes at the Roger Williams University Law School, and a class of students in the University of Rhode Island Masters of Public Administration program. An educational presentation was also made at the annual Rhode Island Bar Association meeting. Finally, presentations were offered to all registered Lobbyists in the State of Rhode Island through the auspices of the Office of the Secretary of State.

In addition to the above educational outreach, the Commission staff utilizes a "duty call" system to provide information and answers to persons subject to the Code of Ethics and to members of the public. Each business day, a Commission staff attorney or investigator is assigned as duty person to answer questions from the public that come through our telephones or from visitors to our offices. It is estimated that the Commission staff takes over 1,000 telephone calls and 100 drop-in visitors annually.

C. EDUCATIONAL PUBLICATIONS

As part of its educational mission, in FY2007 the Commission made several informative publications available to the public. These publications assist the public, as well as those subject to the Code of Ethics, in their efforts to understand and abide by the Code's provisions. Subjects covered in these publications include information on the content of Code of Ethics itself and the application of the Code to specific groups of public officials and employees, financial disclosure requirements, the complaint, investigation, and enforcement process, and a variety of advisory opinion digests.

VI. FINANCIAL DISCLOSURE

A. INTRODUCTION

The Ethics Commission is empowered by the Rhode Island Constitution to adopt provisions to the Code of Ethics governing financial disclosure by public officials. R.I. Const. art. III, § 8. By statute, financial disclosure is required of all elected officials, all candidates for public office, and all persons appointed to serve as officers or members of any state or municipal agency that has substantive decision-making responsibilities. See R.I. Gen. Laws §§ 36-14-16, 36-14-17, and 36-14-4(a)-(b).

Pursuant to R.I. Gen. Laws § 36-14-16, financial disclosure statements must be filed annually. Officials are required to disclose sources of income and assets, including those of a spouse and any dependent children. Officials must also disclose whether they, a spouse, or dependent child hold interest in any business regulated by Rhode Island government or in any enterprise which engages in business transactions with the government. Finally, officials must disclose the name and address of any person, business, or organization which is owed more than one thousand dollars (\$1,000) by the official, a spouse, or a dependent child. While most officials are not required to disclose the dollar amount of any income, asset, or debt, those considered to be "General Officers" pursuant to R.I. Gen. Laws § 17-2-1, must list source(s) and amount(s) of income greater than two hundred dollars (\$200).

The purpose of requiring financial disclosure is to help ensure that those people who are acting in the public interest do not use their public positions to further their private financial interests. The financial disclosure statement also provides evidence that there are no conflicts between the official's financial interests and his or her public office.

B. FINANCIAL DISCLOSURE PROCESS

This fiscal year, the staff of the Ethics Commission processed the dissemination of financial disclosure statements for more than four thousand (4,000) officials. Computer databases are used to create and maintain lists of officials subject to the disclosure requirements. Throughout the year, staff update computer databases as

elections are held, appointments are made, terms end, officials resign, new positions are created, and former agencies and commissions are disbanded.

The Commission staff obtains lists of elected and appointed officials from city and town clerks, fire districts, and the leaders of state departments and agencies. Financial disclosure forms and instructions are mailed to new appointees and candidates as soon as the Commission receives official written notice of their appointment or eligibility. Thereafter, forms and instructions are mailed on an annual basis to persons subject to filing requirements.

C. FINANCIAL DISCLOSURE IN FY2007

The 2006 Yearly Financial Disclosure Statements, covering calendar year 2006, were required to be filed during FY2007. These statements were due on or before the last Friday in April of 2007, or within thirty (30) days of an appointment to a public position, or of the filing deadline for declaration as a candidate in a general election. In FY2007, 2,538 of the 3,814 officials required to file financial disclosure forms with the Ethics Commission did so by the end of the fiscal year. There was a timely compliance rate of 67%, with a total of 3,846 final filings out of 4,167 after additional and late filers were added, for an ultimate compliance rate of 92%. FY2007 was only the third fiscal year in which the Commission staff emphasized enforcement of financial disclosure pursuant to Public Law 2004, ch. 389, § 1, which became effective on July 5, 2004, amending who must file yearly financial disclosure statements.

As a result of this amendment, the overall number of individuals required to file significantly decreased in FY2006 compared to past years. The new law did not change the filing requirement applicable to state and municipal elected officials. Rather, the law limited the category of municipal appointed officials required to file and added a category of state officials and employees who must file. As to municipal appointed officials, the amendment limited the filing requirement to those officials with decision-making authority regarding over \$50,000 in public funds in any fiscal or calendar year. In order to simplify this determination, the amendment expressly enumerated many of these decision-making positions, such as solicitors, assistant solicitors, police and fire chiefs, superintendents, members of planning boards, zoning boards, licensing boards, and tax appeal boards. As to state officials and employees, the filing requirement was expanded to include persons serving in "major decision-making positions," such as the executive or administrative head of a state agency.

The Commission staff continued to dedicate significant attention and resources to implementing the procedures and guidelines previously instituted which are aimed at encouraging compliance with the financial disclosure laws. The procedures and guidelines that were employed, which were named "Operation Compliance" by the Commission's Executive Director, were applied again this fiscal year and included the mailing out of a reminder letter to every public official who had not filed a disclosure statement by the April deadline. The letter warned those who had not filed that a complaint could be filed against them and a fine of up to \$25,000 per violation could be imposed. The letter stated that "voluntary timely compliance is our goal."

Additionally, for the fifth year in a row, the Commission staff personally contacted Rhode Island city and town solicitors, town clerks, and other officials and provided to them a list of officials who had failed to file their financial disclosure statements in their respective cities and towns. The Commission staff requested that these town and city representatives contact the non-filers from their respective cities and towns to encourage compliance with the financial disclosure requirement.

The procedures and policies of Operation Compliance will be repeated in the next filing cycle. It is the goal of the Commission to improve financial disclosure compliance each year until a rate of 100% is achieved.

D. PUBLIC ACCESS

All financial disclosure statements are public records and may be reviewed during regular business hours. The Commission maintains records at its offices for up to five (5) years. Records dating back beyond five (5) years are held at an off-site storage facility. Copies of any financial disclosure record may be obtained at a cost of \$0.15 per page.

VII. INVESTIGATIONS AND ENFORCEMENT

A. INTRODUCTION

The Ethics Commission is empowered by constitutional and statutory provisions to enforce the Code of Ethics. See R.I. Const. art. III, § 8; R.I. Gen. Laws §§ 36-14-12 through 36-14-14. The Commission's enforcement powers include the authority to accept or initiate complaints alleging Code violations, investigative authority, adjudicative authority, and the power to impose civil penalties.

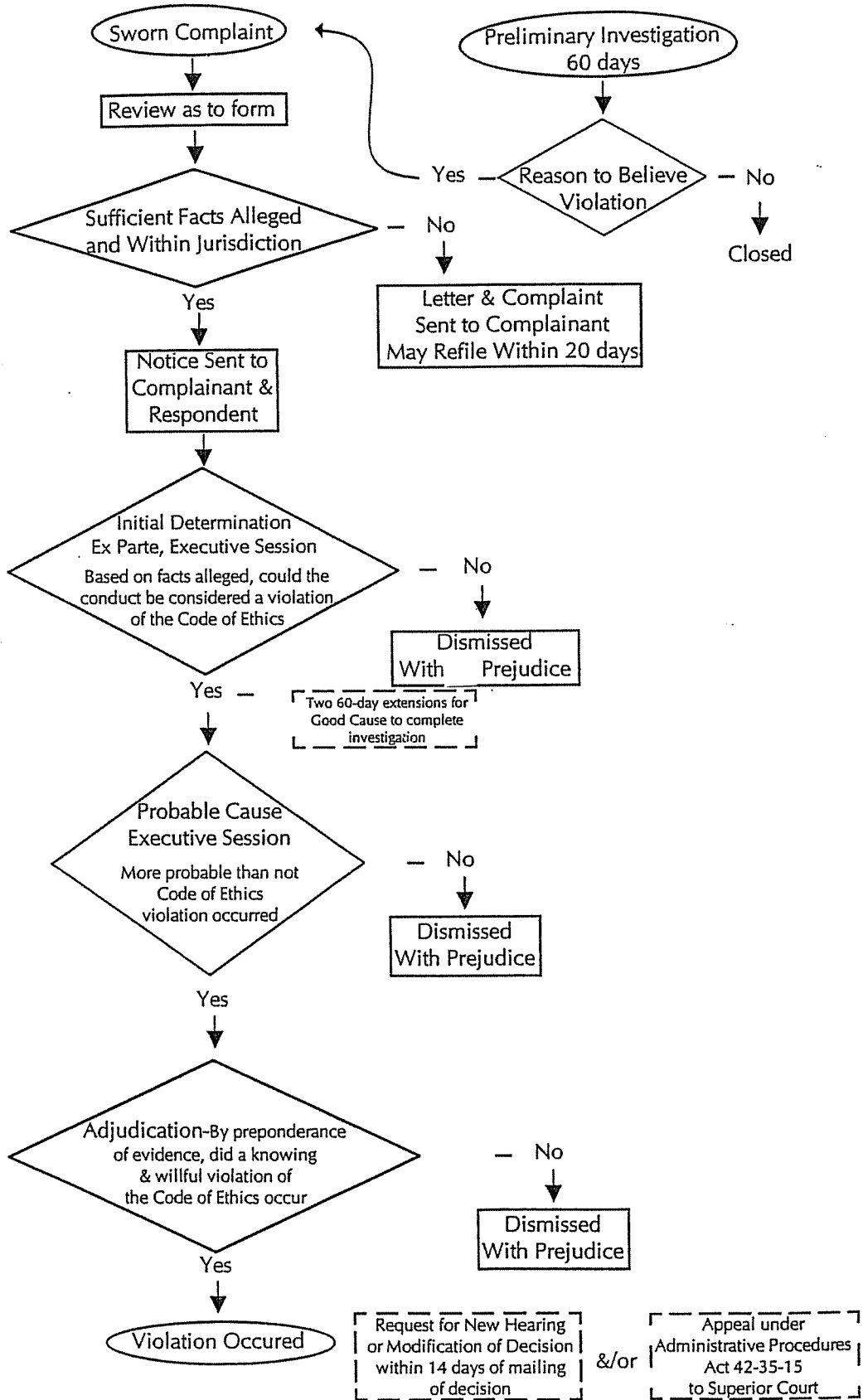
Any person may submit a sworn complaint. Once a complaint is submitted, the Executive Director has three (3) working days in which to accept it for filing or reject it based on jurisdictional, statutory, or regulatory defects. Public officials and employees who are alleged to have violated the Code receive notice of the filing of any complaint against them. At the first stage of formal review, initial determination, the Commission meets in executive session to determine whether a complaint alleges facts sufficient to constitute knowing and willful violation of the Code. A complaint that is found to sufficiently allege a Code violation is then investigated by the Commission's staff. At the second stage of review, the Commission conducts a probable cause hearing in executive session. If probable cause is found to believe the Code has been violated, the Commission conducts an adjudicative hearing in open session.

Persons found to have violated the Code of Ethics are subject to civil penalties. A fine of up to twenty-five thousand (\$25,000) dollars may be imposed for each violation. Officials who are not subject to impeachment may be removed from office by the Commission. All Commission rulings and orders are subject to appeal to the Superior Court of the State of Rhode Island.

B. PRELIMINARY INVESTIGATIONS

Preliminary investigations are undertaken when the Commission receives information, other than through a formal complaint, which indicates a possible Code violation. Under Regulation 36-14-12001 as to preliminary investigations, the Commission's Executive Director is required to notify the Commission whenever such an investigation is initiated; all materials relating to the investigation shall remain confidential, except that access may be granted to any federal, state, or municipal law enforcement agency, or disclosed in a complaint, or after a finding of probable cause in accordance with R.I. Gen. Laws § 36-14-12(c)(4).

Investigative Process Flowchart



C. INVESTIGATIONS

Full investigations are undertaken following the initial determination review and must be completed, along with a probable cause hearing by the Commission, within one hundred-eighty (180) days of the receipt of the complaint. The Commission may grant up to two (2) sixty (60) day extensions for good cause shown. The Commission may issue subpoenas to compel witnesses to attend depositions and to produce documents. At the close of the investigation, an investigative report is prepared.

D. COMPLAINTS, ENFORCEMENT ACTIONS, AND PENDING COMPLAINTS

As FY2007 began, eleven (11) complaints alleging violations of the provisions of the Code of Ethics were pending before the Ethics Commission. During FY2007, an additional eight (8) complaints were filed. The Commission issued final orders in twelve (12) cases during FY2007. Of these cases, four (4) were settled with a finding of violation and imposition of a civil penalty (totaling \$5,000) prior to a probable cause hearing, none were dismissed at probable cause, five (5) were dismissed at initial determination, and three (3) were settled with a pre-trial plea and imposition of a civil penalty (totaling \$130,000.00) after a finding of probable cause. At the close of the fiscal year, seven (7) complaints were pending.

Additionally, thirteen (13) non-filing complaints as to financial disclosure were filed during FY2007. The Commission issued final orders in all thirteen (13) cases, all of which were settled with a finding of violation and imposition of a civil penalty (totaling \$6,650). No non-filing complaints were pending at the close of the fiscal year.

E. PUBLIC ACCESS

All complaints are public records from the date of filing. Investigative reports are confidential until a complaint is dismissed or a finding of probable cause is issued. All pleadings and Commission orders relating to the investigative phase become public after the probable cause hearing. All pleadings and Commission orders filed after the probable cause hearing are immediately public. Initial determination reviews and probable cause hearings are held in executive session. Adjudicative hearings are open to the public.

VIII. LITIGATION

A. INTRODUCTION

All final orders of the Ethics Commission in contested cases may be appealed to the Rhode Island Superior Court. Parties may also petition the Rhode Island Supreme Court for review. The Commission may initiate District Court actions to collect unpaid fines and may initiate Superior Court actions where judicial intervention is necessary to enforce the orders of the Ethics Commission.

B. LITIGATION PENDING AND RESOLVED IN FY2007

During FY2007, no litigation involving the Commission was pending or resolved.

C. LITIGATION COMMENCED IN FY2007

During FY2007, no litigation matters involving the Commission were commenced.

IX. PUBLIC ACCESS

A. INTRODUCTION

The Rhode Island Ethics Commission is a public agency, subject to the requirements of the Open Meeting Law, R.I. Gen. Laws §§ 42-46-1 to 42-46-14, the Access to Public Records Law, R.I. Gen. Laws §§ 38-2-1 to 38-2-15, the Administrative Procedures Act, R.I. Gen. Laws §§ 42-35-1 to 42-35-18, and the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101-12213.

The offices of the Commission are open from 8:30 a.m. to 4:30 p.m., Monday through Friday, except on state holidays. All persons are welcome to inspect public records during regular business hours. Copies may be obtained in person, or by calling the Commission at 222-3790 (voice/TT), or via Rhode Island Relay, a telecommunications service for persons with hearing or speech disabilities, at 1-800-RI5-5555. A fee of \$0.15 per page may be charged for copies.

B. OPEN MEETINGS

The Ethics Commission holds open meetings to consider advisory opinion requests, issue declaratory rulings, conduct adjudicative hearings, accept public comment on proposed regulations, and hear staff and committee reports. Initial determination reviews and probable cause hearings are conducted in executive session. Notices of all meetings are posted at the State House, Commission offices, and on the websites of the Commission and the Office of the Rhode Island Secretary of State. The public is welcome to attend all open meetings.

C. RECORDS

The minutes of open Commission meetings, advisory opinions, financial disclosure statements, and complaints are all public records. The public complaint files include, in addition to the actual complaint, any written answer filed by the respondent, all orders issued by the Commission, notices of meetings and hearings, any motions filed, and a docket of Commission actions. Once a complaint is dismissed or a finding of probable cause is issued, the public files also contain the investigative report and related materials. Advisory opinions issued from 1995 on are available on the Ethics Commission web page, as are Decisions and Orders of complaint matters adjudicated or settled after 1991, and open session minutes.

D. FORMS

All forms of the Rhode Island Ethics Commission are available at the Commission's office. Additionally, recusal forms may be downloaded from the Commission's web page. Financial disclosure forms are provided for reference only, as an original form must be filed with the Commission.

E. EDUCATIONAL MATERIALS

All educational materials are available to the public. Materials include the Code of Ethics, summaries of advisory opinions, brochures explaining Commission procedures, and Annual Reports. Much of this material is also available on the Commission's web page.

F. ACCESS FOR PERSONS WITH DISABILITIES

The Ethics Commission has a strong commitment to ensuring and improving access for persons with disabilities. Reasonable accommodations are made to afford public officials and the public access to the Commission's meetings and documents. Any person requesting a reasonable accommodation because of a disability may contact the Commission's A.D.A. coordinator by calling the Commission during regular business hours or writing to its office address.

G. WEB PAGE

The Commission's web page is located at <http://www.ethics.ri.gov>. It contains basic information about the Commission's history and powers, its members, the Code of Ethics, advisory opinions, education, investigations, and financial disclosure. It also includes the text of advisory opinions issued by the Commission from 1995 to the present and various other publications, including Commission newsletters and forms. A search page allows users to search the entire web site, advisory opinions, complaint matters, or the Code of Ethics. Finally, the site provides a direct link to the Commission's e-mail.

H. RHODE ISLAND GOVERNMENT OWNER'S MANUAL

Information about the Ethics Commission is also listed in the Rhode Island Government Owner's Manual, which is published annually by the Rhode Island Office of the Secretary of State.

X. STATUTORY, REGULATORY, AND POLICY CHANGES

A. INTRODUCTION

The Rhode Island Constitution empowers the Commission to “adopt a code of ethics.” R.I. Const. art. III, § 8. Statutory provisions authorize the Commission to prescribe and publish, after notice and public hearings, rules and regulations to carry out the provisions of R.I. Gen. Laws §§ 36-14-1 to 36-14-21. The Commission's authority to enact a code of ethics is concurrent with that of the General Assembly. Accordingly, changes in the Code may come from either body.

B. PUBLIC ACCESS

The Commission publishes the Code of Ethics and Procedural Regulations, and also makes them available on its website. Revisions to the Code of Ethics and other regulatory matters are subject to the provisions of the Administrative Procedures Act, including the requirements for notice and public hearings. See R.I. Gen. Laws §§ 42-35-1 to 42-35-18.

C. NEW CODE PROVISIONS: FY2007

During FY2007, the Commission and its staff continued to review the Code of Ethics and the Commission's procedures in an effort to identify areas that might be improved through amendment, repeal, or further regulation.

1. Amendments:

This fiscal year the Commission, pursuant to its constitutional authority to adopt a Code of Ethics, and in compliance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-1, *et seq.*, amended the following provisions of the Code of Ethics:

Regulation 36-14-5006 Employment From own Board. This amendment was intended to clarify that elected and appointed officials may not accept any

appointment to a compensated position until one (1) year after severance from an elected or appointed position, if such compensated position will at some point require the approval of the body of which they were previously a member. Prior to the amendment, it was perceived that an official could accept the compensated position within a year of severance as long as the ultimate ratification of the appointment by his former board was delayed until one (1) year after severance.

Regulation 36-14-5007 Prohibition on State Employment. This amendment conforms the language used in this regulation to that used in other revolving door provisions of the Code, clarifying that General Assembly Members may not seek or accept state employment while serving in the General Assembly and for one year after leaving office, including service as an independent contractor or consultant to the state.

2. Adoption of New Regulations:

This fiscal year the Commission, pursuant to its constitutional authority to adopt a Code of Ethics, and in compliance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-1, *et seq.*, adopted the following provisions to the Code of Ethics:

Regulation 36-14-5004 Prohibited Activities – Nepotism. This regulation broadens and clarifies with greater specificity the prohibitions on persons subject to the Code of Ethics in regard to performing public duties likely to benefit family and household members, and the advocacy and supervision of family and household members, as well as participation in budgets, collective bargaining, and employee contracts involving family and household members. The regulation also provides an inclusive list of those relationships that fall within the scope of the provision.

Regulation 36-14-5014 Prohibited Activities – Municipal Revolving Door. This regulation prohibits municipal elected officials and school committee members (elected or appointed) from seeking or accepting employment in the same municipality, while holding office and for one (1) year after.

Regulation 36-14-5015 Prohibited Activities – State Executive/Administrative Revolving Door. This regulation prohibits high-level state employees in the Governor's office and the Department of Administration, and also department heads of state agencies, from representing themselves or others before the Governor's office, the department of Administration or other state agencies with

which they had substantial involvement as part of their official duties, while employed by the state and for one (1) year thereafter.

Regulation 36-14-5016 Representing Oneself or Others, Defined. This regulation provides definitions to clarify that R.I. Gen. Laws § 36-14-5(e) not only prohibits public officials from representing themselves and others before their own boards, but also prohibits such representation before other agencies for which the public official is the appointing authority or a member thereof. This regulation also clarifies that § 36-14-5(e) does not allow a public official to bypass its prohibitions by hiring or authorizing another person such as a spouse, attorney or other professional to appear on the public official's behalf.

Regulation 36-14-5017 Prohibited Activities – Revolving Door, “Employment” Defined. This regulation expands upon the definition of “employment” for purposes of R.I. Gen Laws § 36-14-5(n) and § 36-14-5(o) to include service as an independent contractor or consultant, whether as an individual or principal of an entity performing such contractor or consulting services.

Regulation 36-14-5018 Transition from State Employment. This regulation carved a narrow exception to the prohibition on senior policy-making, discretionary, and confidential staff of state elected officials and general assembly members accepting other employment by any state agency for one (1) year following their separation from service to allow such persons to serve as independent contractors or consultants to their former agencies for a period of ninety (90) days to assist in the transition.

In FY2007, the Legislature did not adopt any additional public laws amending or revising the Code of Ethics.

For additional information, contact:

Rhode Island Ethics Commission
40 Fountain Street
Providence, Rhode Island 02903

(401) 222-3790
1-800-RI5-5555 (Rhode Island Relay)
Fax: (401) 222-3382

E-mail: ethics@ethics.state.ri.us
Web address: <http://www.ethics.ri.gov>